

Montana Department of Public Health & Human Services	Policy
	SH CACFP 2003-1 Rev 5
	Section: Sponsors of Day Care Homes
Child and Adult Care Food Program	Subject: Serious Deficiency Determinations
	Date Revised: 9/1/2011

### SERIOUS DEFICIENCY DETERMINATIONS

- A. The sponsoring organization (Sponsor) will use 7 CFR 226.6/ 226.16(l)(2) and *Sponsor Monitoring Form* as references to determine when a day care home provider (Provider) is determined to be Seriously Deficient (SD) in their operation of the CACFP.
- B. A determination of SD to a Provider can be made at any time.
- C. The Sponsor will use the combined judgment of their staff and supervisors to determine whether the Provider will be declared SD.
- D. Within 30 days after a Sponsor issues an SD to a Provider, the Sponsor must notify the State agency of this action and must provide the State agency with a copy of the notice of action letter sent by the Sponsor to the Provider issuing the SD and including the corrective action(s) required. The notice of action letter to the Provider needs to include all of the elements in 226.16(l)(3)(2).
- E. The Provider is allowed up to 30 days to complete and permanently correct all corrective action(s) associated with their SD determination and as required by their Sponsor.
- F. Within 30 days after a Sponsor removes an SD for a Provider, the Sponsor must notify the State agency of this action and provide the State agency with a copy of the notice of action letter sent by Sponsor to remove the SD and including acceptance of the corrective action(s) required.
- G. A Provider in SD status cannot cease or withdraw from CACFP participation or switch Sponsoring organizations without addressing the corrective actions associated with their SD. Providers must be in good standing for 30 days after the SD is removed before switching to another Sponsor.
- H. The State agency will add information for all SD's issued and removed to the State agency's SD list immediately as these occur. The State agency will notify USDA-FNS of all SD's issued and removed immediately as these occur.
- I. If the required corrective actions associated with the SD are not corrected by the Provider within 30 days, then the sponsor will proceed to terminate the Provider from the CACFP. See Policy SH 2000-8 Rev 3, Termination & Disqualification of DCH, for information and details.

- J. The Sponsor is prohibited from paying any claims for reimbursement from a suspended institution. However, if the suspended institution prevails in the administrative review of the proposed termination, the Sponsor must pay any claims for reimbursement for eligible meals served and allowable administrative costs incurred during the suspension period. [TME Observation No. 5]

[REF: 7 CFR 226]